

CITY OF EVANSTON - TIF PUBLIC HEARING QUESTIONS AND RESPONSES - July 26, 2021

- 1. I appreciate that Council Member Burns has taken the lead on setting up the next TIF meeting. I requested last night and repeat today that a series of City Wide Q&A Town Hall type meetings be scheduled. I don't think Council Member Burns should be saddled with this responsibility. Please let me know when the next TIF meeting is scheduled.**

The city is meeting all of the statutory requirements. The city has also exceeded them by presenting in public ward meetings as requested and furthermore through discussion / debate at city council and economic development committee meetings when first proposing the TIF. There are opportunities to exceed meeting requirements in coming weeks if so desired/directed.

- 2. Who are the individuals who make up the JRB Taxing Districts group, and how were they selected to judge the qualifications of the proposed TIF?**

The individuals are selected by the respective organizations. The most recent JRB included members of impacted taxing bodies including:

- District 202 - Mary Rodino, CFO
- District 65- Raphael Obafemi, CFO
- Cook County - Mohammed Elahi, Deputy Director Planning/Economic Development
- Oakton Community College - Jeffrey Gossrow, Budget and Analysis Manager
- City of Evanston - Paul Zalmezak, Economic Development Manager (although finance director often participates in this meeting)
- 5th Ward Resident - Linnea Latimer

The Joint Review Board is defined in the state statutes as the taxing bodies (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5) Sec. 11-74.4-5.(b) Public hearing; joint review board.

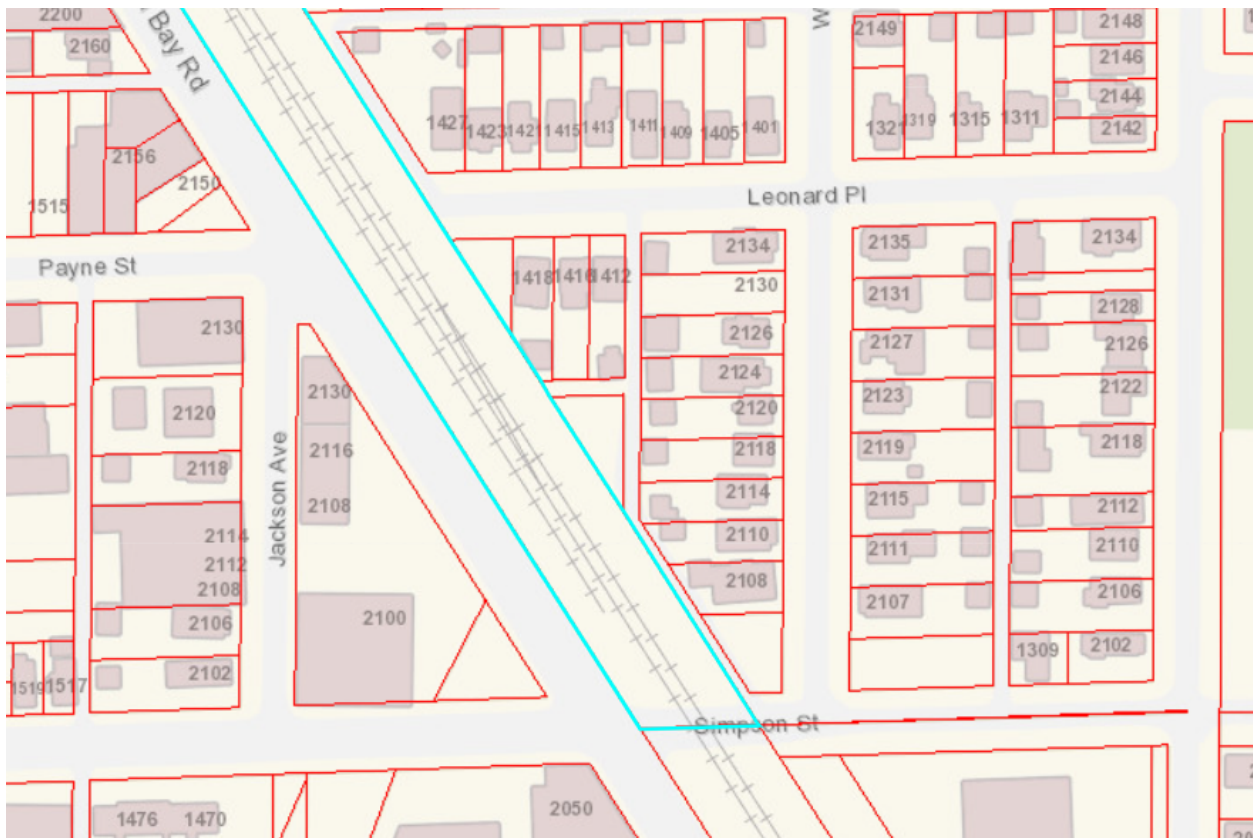
<https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=006500050K11-74.4-5>

“Prior to holding a public hearing to approve or amend a redevelopment plan or to designate or add additional parcels of property to a redevelopment project area, the municipality shall convene a joint review board. The board shall consist of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district, and county that will have the authority to directly levy taxes on the property within the proposed redevelopment project area at the time that the proposed redevelopment project area is approved, a representative selected by the municipality and a public member. The public member shall first be selected and then the board's chairperson shall be selected by a majority of the board members present and voting. For redevelopment project areas with redevelopment

plans or proposed redevelopment plans that would result in the displacement of residents from 10 or more inhabited residential units or that include 75 or more inhabited residential units, the public member shall be a person who resides in the redevelopment project area.”

3. How can the Metra track embankment be considered part of the TIF? Evanston does not own the track embankment.

Ownership of the property is irrelevant to the TIF map making process. The proposed TIF district is composed of contiguous parcels. The Metra property is included because the parcel is required to make a contiguous and functioning TIF project area. It is not legal to split a parcel (PIN) when creating a taxing district.



4. Why is the Civic Center property in the TIF? The civic center is not in a blighted neighborhood. To say so will bring down property values of all of the surrounding adjacent neighbors residential properties.

Evanston has had numerous city hall properties during its history. It is good planning to consider that there is a likelihood that over the next 23 years (the life of a TIF district) that all or a portion of the Civic Center property could be reused for private purposes, and therefore property tax generating. The 23 year life cycle of a TIF represents six city council terms.

The most recent City Council has recently agreed to at a minimum study the possibility. The building represents our biggest asset and requires significant investment. No decisions have been made nor has there been a public process. Placing the property in the proposed TIF does not represent fait accompli. It's simply planning.

If the sale of the property were to occur, the increment generated from the Civic Center property would be invested in the heart of the Fifth Ward. The area east of the railroad tracks has always had higher property values and is majority white as a result of red lining efforts years ago. There are few significant opportunities in the area to generate funding for meaningful improvements.

Secondly, neither city staff or the consultant are claiming the area is blighted, because it is not. It doesn't meet state of illinois TIF standards for blight, nor does it pass common sense definition of blight.

The City's consultant Kane McKenna & Associates has determined that the proposed TIF boundary as a whole meets the State of Illinois standards for a Conservation Area TIF. The State of Illinois defines a "conservation area" as having 50% or more of structures in area with an age of 35 years or more AND has a combination of three or more of the following conditions: 1) Dilapidation, 2) Obsolescence, 3) Deterioration, 4) Presence of Structures below minimum code standards, 5) Illegal uses, 6) Excessive vacancies, 7) lack of ventilation, light, sanitary, 8) inadequate utilities, 9) excessive land coverage or overcrowding, 10) Deleterious land use, 11) lack of community planning, 12) Environmental remediation requirements, 13) Equalized assessed value lagging compared to balance of the community.

Kane McKenna determined that the proposed TIF district meets as many as six qualification factors: 1) Obsolescence, 2) Deterioration, 3) Inadequate Utilities, 4) Excessive Lot Coverage, 5) Lack of Community Planning, and 6) Lagging EAV. The consultant may update this list to remove lagging EAV depending on the updated assessed value information due from Cook County.

- 5. Neither the City Council nor Evanston residents have discussed selling the Civic Center but many behind the scenes actions are taking place to be prepared to do so. An RFP was issued for planning the relocation of the Civic Center and Main Police Station functions. Why is this planning taking place and why is the Civic Center in the proposed TIF, IF not for the City Manager's intention to sell these properties? This is what I and others find so misleading.**

We have had numerous public conversations about the evaluation of city owned properties and their potential disposition. Regardless of the status of those conversations, it represents good long range planning to include a property like the Civic Center in the proposed district because as mentioned above, TIFs last 23 years. The future is unknown. And perhaps one of the six city councils to represent future Evanston residents can use the financial tool to improve the community.

- 6. There is a typo in the slides of the presentation it states “.750” (inches) of the proposed TIF District, whereas you meant 750’.**

Noted. Thank you.

- 7. The presentation packet states that on May 11, a notice of public hearing was sent out (only) to residential addresses within 750’ of the proposed TIF District. This means very few people in the city received notice. THE 6TH WARD HAD NO NOTICE. No wards should be excluded.**

The notice of public hearing met all State of Illinois requirements for a new TIF district proposal. Notices were posted in the Evanston Review (Chicago Tribune) where all city public/legal notices are posted. The next requirement of the State of Illinois is to submit ordinances for City Council consideration. City Council meetings are posted and provide for public comment. Furthermore, the City of Evanston requires a meeting for introduction and a second meeting for approval. In addition to the upcoming city council public meetings, there will be additional opportunities in meetings to be determined by Councilmember Burns.

- 8. Apparently again on June 28, a notice of public hearing was sent to taxpayers of record and residential addresses within the TIF. THE 6TH WARD HAD NO NOTICE. No wards should be excluded.**

The TIF notices meet all statutory requirements. Neither the State nor the City of Evanston require noticing of individual wards.

- 9. How many people signed up for the Public Zoom Meeting on April 15th? This apparently was the only city wide public meeting on this very important subject and held during the height of the pandemic. Who attended this meeting and who from the city & consultants were present? Where would I find the presentation documents from this meeting? Was the meeting recorded? If not recorded, were meeting minutes issued?**

The April 15, 2021 meeting was the state statute required public meeting. Participation in zoom meetings has proven to be quite convenient for some in the community who are unable to attend meetings in person. In fact, we are seeing increased engagement in recent hybrid meetings as well. April 15, 2021 was not the height of the pandemic, in fact, the State of Illinois announced the June 11th phase 5 reopening on Thursday May 6th.

Alderman Rue Simmons was in attendance as was the Economic Development staff (Paul Zalmezak and Katie Boden), in addition to city consultants Kane McKenna. The meeting was held via Zoom. The link for the zoom meeting is:

https://zoom.us/rec/share/zHXXCBwArTtPjNjU-Ml3izFqgzjKo0fL1PSad6UHDRtgnFY8ezczLbk0a2keWr9GJ.FORhOo0EGBV_v2Ok

10. Whose properties are going to be taken by the city for purposes of implementing the TIF?

The City will not be taking property to implement the TIF. If the City Council approves the implementation of the TIF district, the resulting funding would be used for staff recommended improvements, which will require city council approval including: 1. Infrastructure 2. Workforce Development 3. Business District Improvements 4. Affordable Housing 5. Housing Repairs/Improvements. Staff recommends the city council restrict the use of TIF funding for these purposes and focus the investment west of the railroad right of way in the heart of the 5th Ward.

11. How exactly are individual residential homeowner's properties benefiting from this TIF?

If the City Council approves staff recommendations, 5th ward residents could benefit from the improved infrastructure, funding for home repairs, job training, improved neighborhood business districts, and affordable housing funding.

12. How will the TIF impact home property values?

As with all city policy, it is the hope that property values increase property values. This would occur by improving the quality of infrastructure, assisting with the cost of home repairs, reducing vacancies, increasing population on vacant property, and improving neighborhood amenities.

13. How will the TIF impact people who rent their homes/apartments?

The City has not studied how the TIF will impact individuals who rent their homes. It is possible that rental properties with deferred maintenance will be improved and therefore improve the lives of tenants. Possible that renters, like owners, will enjoy living near stable business districts with more amenities.

14. Is there a TIF TAX on those properties within the TIF? Is there a TIF TAX on those outside of the TIF?

There is not a "TIF Tax." The question may be implying that TIF districts result in higher taxes overall because the increment that would have been going for city wide services is now captured in the proposed TIF district. However, one might argue that the district is relatively small as a percentage of city-wide EAV and won't have much impact. And if in fact were true, perhaps wealthier / higher EAV property owners would be willing to make this sacrifice to assist with the proposed 5th Ward improvements.

- 15. I have heard that there are businesses already seeking 10's of millions of dollars from the TIF funds to build their buildings. I cannot personally substantiate this. But if true, why is it the business of Evanston to fund private for-profit buildings and businesses?**

Staff is not aware of any businesses / developers seeking funding from this proposed TIF. It is likely that staff would recommend programs such as facade improvement or storefront modernization to assist small business owners as has been the case throughout the community. Or, at a minimum, level the playing field for small businesses in our business districts along Emerson, Simpson, and Church. Projects that were reviewed prior to the implementation of the TIF and/or are in the works now would not qualify for TIF as they have failed the "but for" test - a requirement that "but for" the use of TIF, the project wouldn't happen.

- 16. Page 34 of 97 of the TIF packet: The City may issue obligations secured by a Special Tax Allocation Fund. Or other funds as are available to the city (home rule no debt limit). What is a "Special Tax Allocation Fund"?**

It is the term the State of Illinois gives to the TIF funds the City of Evanston manages once increment is generated and collected. The funds are deposited into an individual fund separate from the general fund and audited annually.

State of Illinois Statute (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007) defines the "special tax allocation fund."

(2) That portion, if any, of those taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project area, over and above the initial equalized assessed value of each property existing at the time tax increment allocation financing was adopted, shall be allocated to and when collected shall be paid to the municipal treasurer, who shall deposit those taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

- 17. "ONE OR MORE SERIES OF OBLIGATIONS MAY BE ISSUED FROM TIME TO TIME IN ORDER TO IMPLEMENT THIS PLAN. TOTAL PRINCIPAL AND INTEREST PAYABLE IN ANY YEAR ON ALL OBLIGATIONS SHALL .. MAY BE PAYABLE FROM TAX INCREMENT REVENUES, FROM BOND SINKING FUNDS.." This sounds a lot like more Debt and more Taxes but it's not clearly spelled out in laymen's terms. During the discussion council members had with staff, it was more clearly stated that yes, Evanston residents will be left holding the bill for GO Bonds related to the TIF. Please make this absolutely clear in your response.**

Bonds / debt is not a requirement of TIF. The TIF plan provides for this as an option to the city. It is not uncommon for city infrastructure projects within a TIF to be funded with debt and repaid from future increment. Typically city's only issue debt in TIF districts for public infrastructure projects, not private development. In the unlikely event that the TIF would be unable to generate the increment to cover the debt, the City would be required to pay the debt from other sources. There are no examples of this happening in Evanston in its 40 years of using TIF.

18. The TIF was said last night to be a “Financing Tool” yet the document is called a redevelopment tool. This is misleading. The document needs to be corrected.

The State of Illinois Tax Allocation Act language can be confusing. They refer to it as a redevelopment plan. All of Evanston's TIFs have approved “Redevelopment Plans”. The State defines the requirements of implementing Tax Increment Financing in a Redevelopment Area or a TIF district - both are the same.

19. The TIF map in the document includes parks (and the civic center), and yet you said don't worry, “staff would never sell the park”. This is misleading. The document needs to be corrected.

If directed by City Council, staff will pursue dividing the Civic Center PIN to separate Ingraham Park from the Civic Center building. This could be helpful in the long run if this or future City Councils ultimately decide to sell the Civic Center. In the meantime, it is one PIN, and therefore will appear on maps until a change is ultimately made. We have updated the future land use map to the best of our ability to show that future land use is OS (open space).

It is understandable why the community would think it was a possibility because it appears in the proposed TIF district. In fact, TIF funding can be used to improve parks. Staff recommends keeping Ingraham Park in the proposed TIF to benefit from potential future TIF infrastructure funding / improvements if the TIF were to be approved.

In the final TIF ordinance, staff will recommend the City Council expressly prohibit redevelopment or sale of Ingraham Park.

For reference, you can see below that the civic center property is divided into three parcels today. 11-07-118-001-0000, 11-07-118-002-0000, and 11-07-118-004-0000. Staff could recommend splitting the larger 11-07-118-001-0000 parcel into two or three parcels by taking out the areas defined by the red dashed lines.



20. Why is the civic center part of the TIF?

Answered in #4 above. It has potential to drive significant incremental revenue for the proposed focus areas of the tif - affordable housing, 5th ward business district improvements, workforce training, home improvements, and city infrastructure. Staff recommends directing this increment west of Green Bay Road/Tracks to the areas of the fifth ward that need it most. This is a significant increment generator. Without it, potential funding would be reduced.

21. What are the project income and revenues for the next 5 years?

Projections are derived from potential tax revenue generated by a variety of projects that could potentially occur in the area subject to community/city council review and approval. Kane McKenna estimates the following ranges of TIF revenues over the first five years of the TIF

Estimated TIF Revenues - First Five Years	
Year 1 (2022)	\$0 to \$120,000
Year 2 (2023)	\$120,000 to \$130,000
Year 3 (2024)	\$490,000 to \$500,000
Year 4 (2025)	\$850,000 to \$900,000
Year 5 (2026)	\$1.8 to \$2 million
Note: These are projections based on early assumptions and will need to be updated once projects are determined and assessed valuations are certified by the assessor	

22. How much public land is east of the tracks?

East of the tracks is the Civic Center parcel and fleet services. Civic Center property, excluding Ingraham is 293,000 sq ft or 6.5 acres. Fleet services is 265,000 sq ft or approximately 6 acres.

23. Can we create a plan funded by the sale of public land?

The proposed TIF boundary includes the Civic center which has a likelihood of selling over the next 23 years. The proceeds would then be used to fund 5th ward projects. However, if it doesn't sell, there is less available to fund, but yes, the TIF plan still is functional, but just less funding. Other public land within the TIF includes the city's fleet services property which would likely not redevelop privately as there is little land available in Evanston for this type of use. Other public property within the proposed TIF includes streets, alleys and other parks - all potential beneficiaries of TIF funding.

24. Can we allocate ARPA funding to the 5th ward?

Yes, to address COVID recovery challenges. ARPA economic development focused funding will likely yield \$5 to \$6 million for the entire city. Over 23 years, TIF is anticipated to generate approximately \$80 million for 5th ward projects.

25. What is the idea? What is city council thinking?

Staff is recommending the TIF district to create a dedicated funding source for affordable housing, home repairs, business district improvements, infrastructure, and workforce development programs. Climate resiliency, energy efficiency, and racial equity will be baseline requirements for every TIF funded project.

The Civic Center, if it were ultimately sold to a private property owner would generate incremental revenue to be used in the fifth ward. If not, there is just less funding to be used for these types of projects.

26. Is this a backdoor way to sell the civic center?

The Civic Center itself is a valuable property in an excellent location. It does not require TIF to sell or improve the prospects of selling. If the City Council or if one of the five subsequent city councils believe it is the right thing to do, the civic center sold for private development will generate tax increment to be used for projects west of Green Bay Road. If it doesn't sell, there will be less funding for projects.

27. Have the school boards approved the TIF?

School boards do not approve / consider implementation of TIF districts. The JRB is served by District 65 and 202 staff and they recommended the TIF plan to the city council at the JRB meeting. TIF intergovernmental agreements can be negotiated. And the State of Illinois requires payments to school districts from TIFs based on a formula determined by population impacts of TIFs.

28. Shouldn't we have communitywide townhalls to discuss this TIF if it includes the Civic Center, Fleet Services, and Fleetwood Jourdain?

There are no plans to use TIF to sell or change these buildings. If the TIF were to be approved, any TIF expenditures proposed would require city council approval. Staff is not recommending TIF funding be used to improve the Civic Center or Fleet Services center or to use TIF to incentivize the sale of the property. Those are legal uses of TIF, but the City Council is not required to use TIF for that purpose. The Civic Center is included as a means to create a source of investment for fifth ward projects west of Green Bay.

The philosophy here is not using TIF to develop the Civic Center. The focus is taking a 6 acre property that is generating \$0 in property tax and thinking about how a future development would generate something greater than \$0 to invest in a targeted fashion in the 5th ward. How this is done will require an ongoing planning process and public input now and throughout the life of the TIF if it were to be approved.

29. What would the estimate tax dollar for all the public land be if it were it on the tax rolls and can TIFs be written in such a way as to split up %s to the city, school district and TIF if public land is sold so that the tax baseline amount is contributing to the general fund?

The land sale is subject to the market and the end use. The end uses are not known at this time. Any determination of value and sharing with taxing districts is subject to the public process. The frozen or base value of the land within the TIF is always funding all taxing bodies within the TIF. It's the increment from the taxing bodies that is seperated into the TIF district. Since the base value of public property is \$0, it is hard to determine at this point what the "baseline amount" would be. An alternative would be to negotiate with the taxing bodies an annual payment to share the increment generated. Remember, however, the TIF is proposed as a means of transferring funding from higher valued real estate east of Green Bay Road to target underinvested areas west of Green Bay Road.

30. Can we expand the current west side TIF to include parts of the new proposed TIF instead of creating a new TIF

Technically, yes. We expanded the Howard Ridge TIF district two years ago to extend further west along Howard Street. The existing West Evanston TIF has underperformed due to market conditions, having been launched at the very beginning of the "great recession" in 2006. Arguably, there are few economic engines in that TIF resulting in years of poor performance. And, the West Evanston TIF expires in 2029, giving us only 8 years of increment to work with if granted an expansion. The expansion does not reset the 23 year TIF term limit.

31. How were the boundaries configured, what was the criteria?

The TIF boundary was created by analyzing property conditions, development patterns, and local market conditions. This was done using staff experience, expertise, and feedback from elected officials. Our consultant studied the proposed boundary and tested it against the State of Illinois TIF statute to determine if it met the qualification standards (see above) as a TIF conservation district. The findings were presented to the JRB and to the public via the Public Hearing.

32. What is the timeline for public meetings, and vote to approve, alter or deny, that the city staff is looking at?

The City is required to consider the ordinances within 90 days of the public hearing. The last opportunity to do that would be October 10, 2021. September 27th is the last full council meeting prior to October 10th. There are committees meeting October 4, 2021. Additional public meetings outside of city council meetings will be planned.

33. What are the projected increments revenues to the proposed TIF funds for the next 5 years?

Please refer to Question 21

34. How much public land is east of the tracks?

Answered above. Approximately 12.5 acres between civic center and fleet services

35. Can't we create a plan which is fed by the tax revenue from the developed land if the community decided to sell public land?

We could create a plan to use the proceeds from the sale of public land to assist with the ideas outlined in the TIF plan if so desired. That would be up to the public and the City Council.

36. The 5th Ward needs money to implement a well thought out plan. Why don't we get the idea of projects and their cost, and designate a percentage of all tax revenue from the x amount of the parcel allocated to the plan?

There are numerous plans in the community that are guiding staff's recommendations. The work of community planning never ends. And it certainly is only beginning with this proposed TIF district. In some ways, what is proposed in this question is what the TIF actually is. The area in which we propose the TIF will provide future revenues generated by these parcels for the projects and to help offset their cost. Only a percentage of those private costs are covered by TIF. Traditionally, 25%. Only public infrastructure projects are covered 100% by TIF. The City already has the funding to support a "well thought out plan." There is debate in the community about the need for additional plans. We have heard the 2006 plan is sufficient. Others have suggested planning done earlier is sufficient. Staff is recommending we continue to plan as community values change, technology changes, market conditions change, etc.

37. Can we allocate a percentage of the \$5 million Federal Government American Rescue Plan to specific needs of the 5th Ward?

Yes. We can for COVID impact related matters. The total allocated for

38. What about the City stop wasting money for unneeded grandiose projects, and invest that money in services and projects essential to places like the 5th Ward?

It's always the city's intentions to use taxpayer dollars for services and projects essential for all residents.

39. It seems to me that there are several ways for the City to help a Ward rather than establishing a TIF.

TIF is one tool to help assist with the cost of improving Evanston's neighborhoods. Community members are always welcome to make suggestions about other ways to help. TIF is one component to be used with other City of government resources.

Additional FAQ's can be found here:

<https://www.cityofevanston.org/home/showpublisheddocument/65106/637617301741070000>

Additional City of Evanston TIF information, including information about the proposed TIF and existing TIFs can be found here:

<https://www.cityofevanston.org/business/tif-districts>